



## North Carolina Department of Health and Human Services Division of Medical Assistance

### Finance Management

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Michael F. Easley, Governor  
Dempsey Benton, Secretary

William W. Lawrence, Jr M.D. Acting Director

May 1, 2008

Dear Personal Care and CAP-DA Service Provider:

Each year, the Division of Medical Assistance requests cost data from Personal Care Service providers in accordance with Paragraphs 7 and 8 of the Medicaid Participation Agreement.

According to the Medicaid Participation Agreement signed by your agency, the Division of Medical Assistance can require providers "to disclose fully the extent of services provided and billed to the Medicaid Program..." (A.5.) and "On request, furnish to the Division of Medical Assistance (DMA) and its agents, the Centers for Medicare and Medicaid (CMS), or the State Medicaid Fraud Control Unit of the Attorney General's Office, any information or records, including records of any outside entities, contractors, or subcontractors for cost related to services provided to Medicaid patients and billed to the Medicaid Program." (A.6.). Furthermore, B.10.a states the Division of Medical Assistance may terminate the provider agreement if "the provider fails to meet conditions for participation..." Non-compliance with the PCS cost report requirements will result in the withholding of Medicaid dollars from your agency.

This year's cost report is due on July 25, 2008. If the cost report is not completed and received at NC DHHS DMA by **July 25, 2008**, then the Division of Medical Assistance shall withhold **twenty percent (20%)** of future payments until the cost report is filed and complete with the financial statements and appropriate signatures.

Your efforts in completing the cost report are appreciated and are essential to the Division of Medical Assistance's cost evaluation of the Personal Care Service Program. An annual cost report is needed for the purpose of establishing a reasonable reimbursement rate for Personal Care Service. The code S5125 is the only code that is being considered in this cost report finding.

Please remember this cost report is based on your agency's year end: fiscal year ending June 30, 2007, fiscal year ending September 30, 2007, or the calendar year ending December 31, 2007. Please note on the 2007 Cost Report which reporting period the agency utilized.

To assist in completing the cost report, training sessions have been set up. The Training Schedule with the dates and times are attached. The Rate Setting section highly recommends that a representative from your agency attend one of the half day cost report training sessions.

A copy of the cost report package is available online at [www.ncdhhs.gov/dma/costreport.htm](http://www.ncdhhs.gov/dma/costreport.htm) under Provider links. To access the cost report, click on: Provider Links, Financial, Cost Reporting, Personal Care Services (PCS) Cost Report. After completing the cost report, you may submit the cost report along with your financial statements, signed and dated to:

Mail Address: (US Postal Service)  
N.C. Division of Medical Assistance  
Rate Setting/Cindy Bass  
2501 Mail Service Center  
Raleigh, NC 27699-2501

Street Address: (UPS, FEDEX, DHL)  
N.C. Division of Medical Assistance  
Rate Setting/Cindy Bass  
1985 Umstead Drive  
Raleigh, NC 27603

If you have any questions regarding the cost report trainings, please contact Cindy Bass at (919) 855-4214.

